CHAPTER I

INTRODUCTION

A. BACKGROUND OF STUDY

The development of international trade and product innovations have made producers aware of high product competition. This case has increased the variety of product that consumers can choose in the market. The consumer has to be determiner and decider which product can make them feel comfortable and satisfied. The producers have to make consumers can feel comfortable and satisfy by provide the product that can fulfill consumers needs. Producers also should understand their customers and make the product and service can exceed customer expectation.

The expansion of beverages products has increase massively, this case can be seen from the growing of product variety and product development. Many variety of beverages can be seen in the market, mineral water, soda, juice, coffee, tea, alcoholic beverages, syrup, isotonic, milk, etc wide available in the markets. Precisely for product development beverages has develop the instant product for daily needs by making it become the powder. Beside it can make the product last long, this product development also make the product easy to carry. Many kind of beverages product that available in the powder type, including milk product.

Milk producers nowadays are dwell on the competition matter. They have to follow their competitors way which lead them to the higher level of

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competition. The competition need an explicit market segmentation and targeting. The competition also can develop the competition of product inovation. Low fat high calcium milk product has made the different market targeting and segmentation, and it has created the new competition in this market. There are some well known brand of low fat high calcium milk in Indonesia for examples there are Produgen, Anlene, Hilo, Entrasol, Calciskim Indomilk, L-Men, and Calcimex. And it is important for producers to to know and examine the customer purchase decision.

The consumer ranks brands and forms purchase intentions, it will help them to decide buying the most preferred brand. (Kotler, Armstrong, 2012: 154). In purchase decision process consumer typically passes through five stages of activity: The Firstly problem recognition, Secondly information search, Thirdly evaluation of alternatives, Fourthly purchase decision, and Fifthly post purchase behavior (Kotler, Keller 2012:166). Nutrition label is one of the factors that can influence the customer purchase decisions. (Derby and Levy (2001) in Drichoutis, Lazaridis, Nayga, (2006:14))

Consequently, nutritional labeling has arise as an significant aspect of consumers' food purchase decisions. Nutritional content in food products is considered to be a credence attribute. (Drichoutis, Lazaridis, Nayga, 2006:1). The nutrition label provides information regarding product name, list of ingredients used, the net weight or net contents, name and address of the party producing or importing food into an area concerned; date, month, and year of expiration, nutrition claims, especially for health products, instructions for

use, and other information for special conditions and how to use, as well as information about halal for Muslim-majority state (Ningrum, 2010:1).

Nutrition labelling give the big impact in communicating the health benefits to customers. Most of the food processing companies give the nutrition label in their product. "... even though present regulations require it only for foods to which nutrients are added or for foods advertised for nutritional properties." (Packard, 1976:180) Competition, regulation, educational efforts chalked out to make consumers aware of new labeling standards, nutrient fortification of snack foods, and more industrial advertising of nutrition—all point to a greater awareness of food value and a wider variety of foods with label information (Packard, 1976:180).

The customer pay their attentions in choosing healthy product, and this supported by several food companies that offer it. Anyone who works in the food and beverage industry realizes more than ever that health considerations are paramount in consumer choice. (Moskowitz, Reisner, Lawlor, Deliza, 2009:149). Healthy product also has benefit for the company. "Key to being successful will include how the health benefits are communicated in an environment." (Stahberg and Maila, 2010:50). By communicating health benefits to customers, companies can attract the customer attention and increase sales. The low fat high calcium milk industry has been developing more along with the better community welfare and buying power in Indonesia. The development marked with the appearing of some low fat high calcium milk brand in Indonesia.

Table 1.1
Low Fat High Calcium Milk Brand in Indonesia 2015

Brand
Anlene
Hi Lo
Produgen
Kalsi Max
L-Men
Calci Skim Indomilk
Bonetto
Dancow Calcium Plus
Entrasol
Mirota Prosteo

Source: Google

After seeing this opportunity Anlene provides the low fat high calcium milk and communicates the health benefits of their product. Anlene is a key brand milk from Fonterra. Fonterra is a multinational dairy cooperative from New Zealand. This product had transformed into one of the successful low fat high calcium milk products that widely available in Indonesian market. Competition among adult high calcium and low fat milk is very high because in this sector many other firms also produce milk with the same categories (Ningrum, 2010:4). Data Top Brand Index 2012-2014 adult high calcium categories shown in the Table 1.2:

Table 1.2
Top Brand Index Data from 2012-2014

| Brand	TBI			TOP
	2012	2013	2014	
Anlene	70,2%	74,3%	61,4%	TOP
Hi Lo	19,2%	18,6%	28,1%	TOP
Produgen	2,9%	2,2%	3,0%	

Source   : Marketing/ 2012-2014
TBI   : Top Brand Index Survey

The Table 1.2 shows that eventhough there is the escalation of TBI in 2012 to 2013 (70,2% - 74,3%), there is the decline of TBI in Anlene Brand

from 2013 to 2014 (74,3% - 61,4%). The decline occured because there are many new competitors and their new products. But Anlene still owns the 1st top brand which hold 61,4% of the Indonesian market share in 2014.

This research is conducted to find out the preference of Pontianak Anlene consumers towards nutrition label. People in the city like Pontianak are aware of their health and use so many ways to avoid disease. One of the ways is adults like to drink the high calcium low fat milk to prevent osteoporosis.
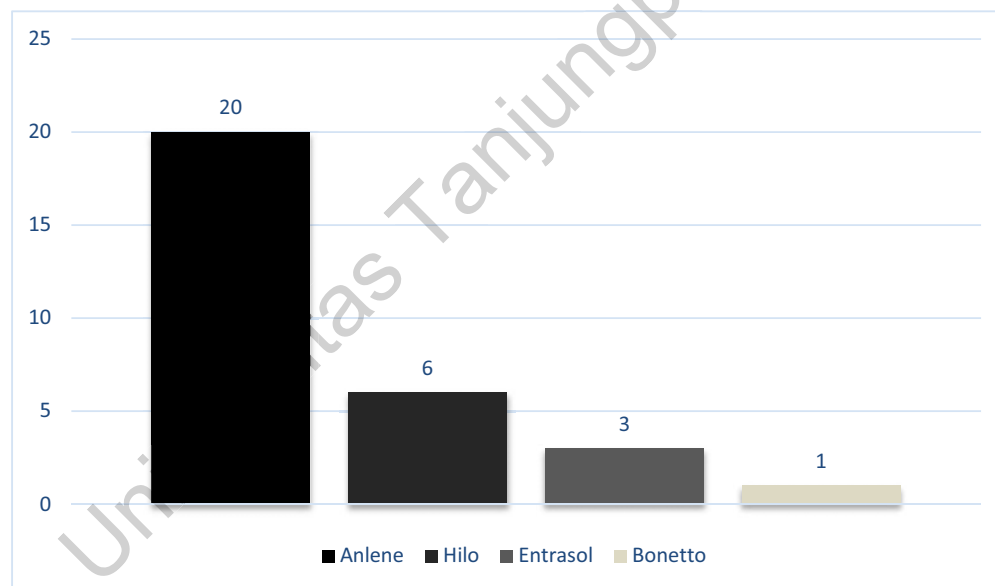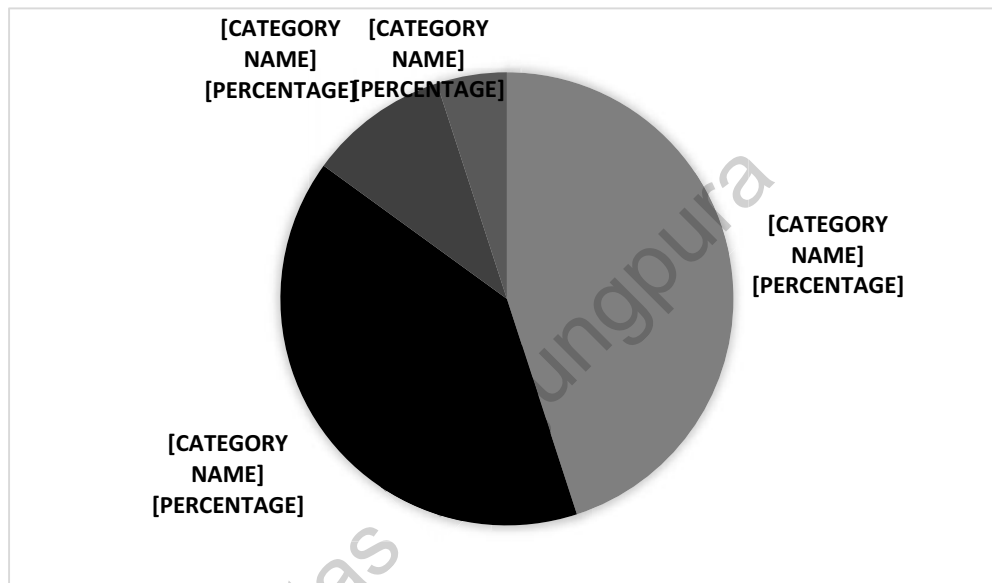

Source: Pre Survey 2015

Figure 1.1: High Calcium Low Fat Milk Consumers in Pontianak

The Figure 1.1 address to pre survey data of high calcium low fat milk consumers in Pontianak. The data was collected from 30 respondents randomly using questioners. Out of 30 respondents, 20 respondents choose to consume Anlene, 6 respondents choose Hilo, 3 respondents choose Entrasol, and 1 respondent chooses Bonetto. Based on the graphic we can conclude that

Pontianak consumers tend to choose Anlene as their high calcium low fat milk rather than another product. The Figure 1.2 below shows the reasons for which Pontianak people choose Anlene as their high calcium low fat milk product.

Source: Pre Survey 2015

Figure 1.2 : The Reasons Consumers in Pontianak Choose Anlene

The Figure 1.2 conveys information that 45% out of 20 respondents choose it because of the product nutrition, it become the first reasons for Pontianak people to choose Anlene, because this milk have a good nutrition for bones. 40% of respondents choose Anlene because of its brand image, this product is trusted to cure the pain in bones and it can reduce the bones porous. 10% of respondents choose Anlene because of the taste. Anlene has 3 kind of taste that can be found in Indonesian market, there are plain, vanila, and chocolate. The taste is good and was not make the consumers feel sick after consuming Anlene. Ultimately, 5% choose Anlene because of the

availability of Anlene in market. Beside Anlene and other 2 top brands of low fat high calcium milk product, other brands rarely easy to find even in supermarket.

Anlene communicated their products nutrition label by providing the nutrition facts that located in the backside of packaging. The nutrition facts have the nutrition label variables such as serving size, number of servings per container, and nutrition content that give customer the knowledge of the product nutrition.

The first nutrition label variables is serving size. Serving size provide us the information about how to use the product properly, for example to consume Anlene product the customer need to apply 3 tables spoon of the Anlene for one glass (200 ml). Thus the nutrition that Anlene consumers can be accumulated for daily nutrition. This is helpful information for those who care about their nutrition and for those who in dietery activity.

Nutrition label also have number of servings per container variable. Number of servings per container information useful after serving size information has been applied. For example, in one box of Anlene milk powder 250g it can be consumed 8 times. This is helpful information for those who want to set weekly menus.

The last variables is nutrition content. Nutrition content will show what nutrition that product have and how much it is in one serving size (one times consumption). For example nutrition content in one package Anlene product are Fat, Protein, Carbohydrate, Natrium, Vitamin A, D_3, B_1, B_2, B_5,

B_6, B_{12}, Calcium, Phosphor, Magnesium, Zink, Iodium, Selenium, Selatan space, Biotin, and Colin. Nutrition content also provide the information about how much the nutrition in one serving size, hence the consumers who cannot eat specific nutrition can analyze the product easily.

Anlene producer also provides the information about how dangerous is osteoporosis using public medias and promoting the advantage of their product namely to reduce the osteoporosis possibility.

Based on the background above, the writer decides the title **"THE INFLUENCE OF NUTRITION LABEL TOWARD CUSTOMER PURCHASE DECISIONS ON ANLENE LOW FAT HIGH CALCIUM MILK"**

B. PROBLEM STATEMENT

Based on the background above, the problem statements are:

1. Is serving size influence significantly the customer purchase decision on Anlene low fat high calcium milk powder?

2. Is number of servings per container influence significantly the customer purchase decision on Anlene low fat high calcium milk powder?

3. Is nutrition content influence significanty the customer purchase decision on Anlene low fat high calcium milk powder?

C. PURPOSE OF STUDY

The purpose of this research are:

1. To identify how the serving size can influence customer purchase decisions on Anlene milk powder product in Pontianak.

2. To identify how number of servings per container can influence customer purchase decisions on Anlene milk powder product in Pontianak.

3. To identify how nutrition content can influence customer purchase decisions on Anlene milk powder product in Pontianak.

D. BENEFITS OF STUDY

The benefits of this research are:

1. For company

The result of this research expected to enrich the information source for companies regarding customers perspective toward nutrition information of instant milk powder product.

2. For academician

The research expected become a literature about the influence of nutrition label towards customers purchase decision.

3. For researcher

This research expected become the reference source and information for another research which link to the factors that influence nutrition fact towards customer purchase decision.